

Message Text

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64

ORIGIN NEA-12

INFO OCT-01 ISO-00 TRSE-00 AID-20 ABF-01 L-03 FS-01 OPR-02

A-01 COME-00 FRB-02 XMB-07 AGR-20 CU-04 CIAE-00

INR-10 NSAE-00 RSC-01 SSO-00 INRE-00 /085 R

DRAFTED BY NEA/INS:DWBORN:MMK

APPROVED BY NEA/INS:LBLAINGEN

TREAS:GSPITTLE

TREAS:SCANNER (SUBS)

AID/GC/ASIA:MKITAY (DRAFT)

AID/SER/FM/LMD:TPANAGOS

M/FRM/FM:RWHITENER

L/NEA:ATBROWN

----- 130709

O 012123Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI IMMEDIATE

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E.O. 11652: N/A

TAGS: EFIN, IN

SUBJ: RUPEES: CORRECTIONS

REF: (A) NEW DELHI 4497; (B) NEW DELHI 5699

1. THERE ARE TWO TYPES OF CALCULATIONS IN THE RUPEE AGREEMENT WHICH REQUIRE ADJUSTMENT IN ACCORDANCE WITH PART I SECTION 1 (D) AND PART II, SECTION 6. THESE ARE:

(A) ANNEXES II AND V CALCULATIONS FOR THE INTEREST PAYMENTS ON CERTAIN LOANS WHICH, TAKEN TOGETHER, HAVE RESULTED IN AN OVERPAYMENT BY THE INDIAN GOVERNMENT TO THE USG OF \$92,084.25 (ANNEX II-LOANS WITH MOV-DOLLAR DENOMINATED); RS. 549,466.11 (ANNEX II LOANS, WITHOUT MOV-RUPEE DENOMINATED); AND DOLS 2,929.04 (ANNEX V, LOANS LIMITED OFFICIAL USE

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386-B-003 AND 126 NET); AND

(B) THE USE OF RS. 8.26 ONE DOLLAR RATHER THAN RS. 8.28 ONE DOLLAR. BY AMENDING THE AGREEMENT BY THE USE OF THE RS 8.28/DOLS ONE RATE, THE CURRENT RUPEE ACCOUNT BALANCE WILL INCREASE BY OVER FIVE MILLION RUPEES (EQUIVALENT TO NEARLY DOLS 650,000) AND THE CURRENT PL-480 TRANSITION ACCOUNT BALANCE WILL INCREASE BY OVER SEVEN MILLION RUPEES (EQUIVALENT TO DOLS 852,000).

2. FULL DETAILS AND ANNEXES II AND V INTEREST PAYMENT WORKSHEETS ARE BEING POUCHED LANDE MAY 2.

3. YOU SHOULD OBTAIN GOI AGREEMENT TO BOTH OF THE ABOVE ADJUSTMENTS ON THE BASIS OF THE DETAILED INFORMATION WE ARE POUCHING, AND COLLECT THE DIFFERENCE.

4. FYI. YOU WILL NOTE THAT THE USE OF RS 8.26/DOL ONE THROUGHOUT THE AGREEMENT WOULD HAVE PRODUCED AN EVEN GREATER DIFFERENCE IN FAVOR OF THE USG THAN THE CONSISTENT USE OF RS 8.28/DOLS ONE. HOWEVER, AS YOU NOTED IN YOUR 5699, THE 8.28 RATE IS CLEARLY CALLED FOR BY THE AGREEMENT. END FYI. RUSH

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Message Attributes

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30 JUN 2005

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